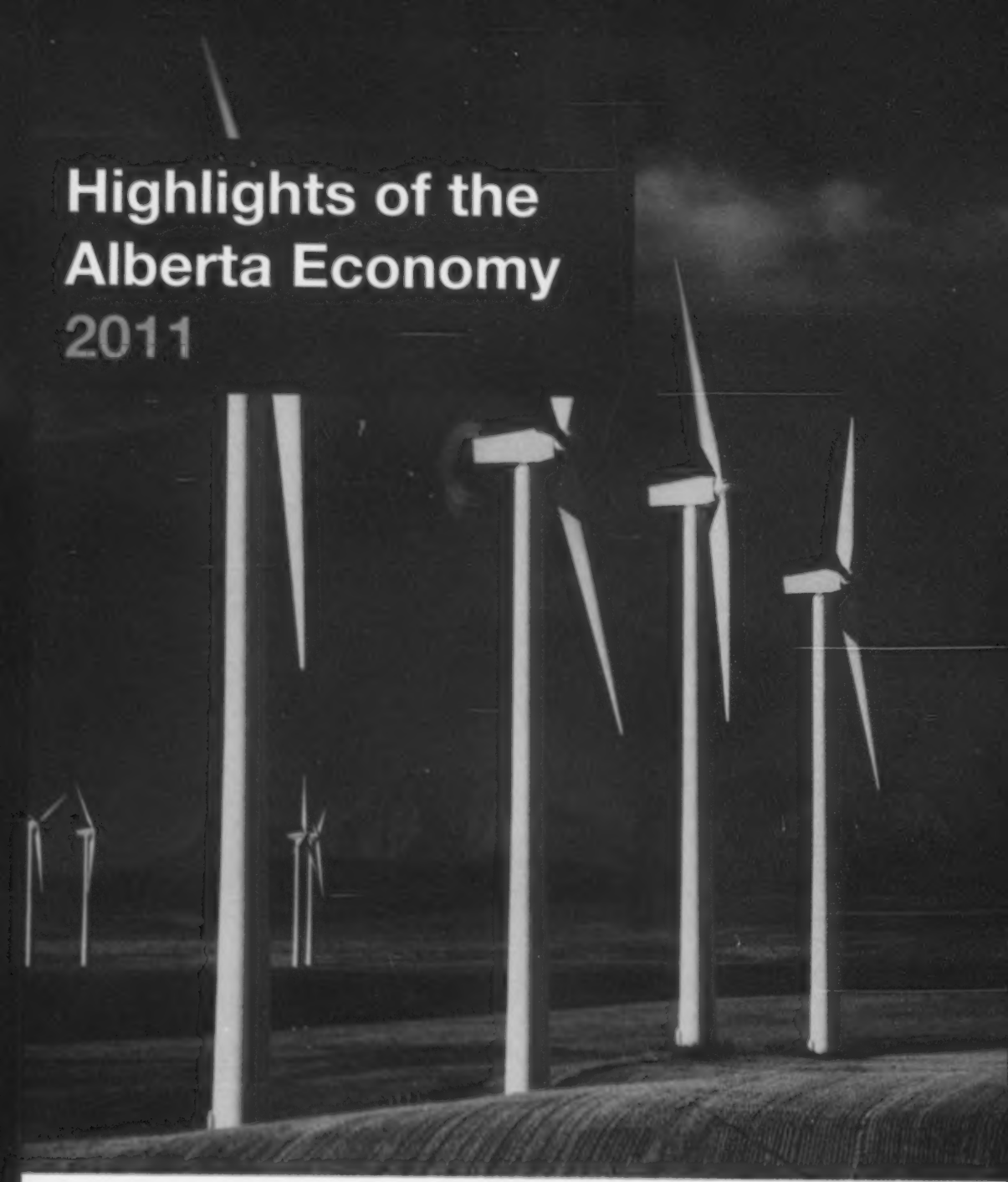
Highlights of the Alberta Economy 2011



Government of Alberta
Canada

Alberta
Freedom To Create.
Spirit To Achieve.

Premier's Message

Alberta is a great place to live, work and invest thanks to its quality of life and business-friendly environment – and that has remained true through the global downturn and the economic recovery. Low taxes, a strong financial position, a skilled workforce and abundant resources provide a solid economic footing for the long-term future of Alberta and Canada.

Albertans live in a beautiful province, home of majestic mountains, clean lakes and rivers, rolling prairies and foothills. The province is also home to a thriving energy industry, built on abundant natural resources that include the oil sands, the third-largest proven oil deposit in the world. Our province is the number one exporter of oil to the United States and is poised to become a global energy supplier.

We believe in the responsible and sustainable development of all our resources. Resource conservation and environmental stewardship have long been – and remain – a central part of energy development in Alberta. We have strict regulations in place to balance environmental protection and industrial development for the benefit of all Albertans. We have long known the importance of environmental stewardship and will continue to use and develop technologies that reduce the footprint of economic development on the environment.

Alberta has a plan that ensures it will remain one of the most competitive jurisdictions in North America. Our new Competitiveness Act will improve the province's ability to compete on a global stage by working in coordination with industry. Our goal is simple: to remain the destination of choice for both families and businesses for years to come.

I invite you to learn more about Alberta's economy and explore living, working or doing business in our great province.

Ed Stelmach

Ed Stelmach
Premier of Alberta

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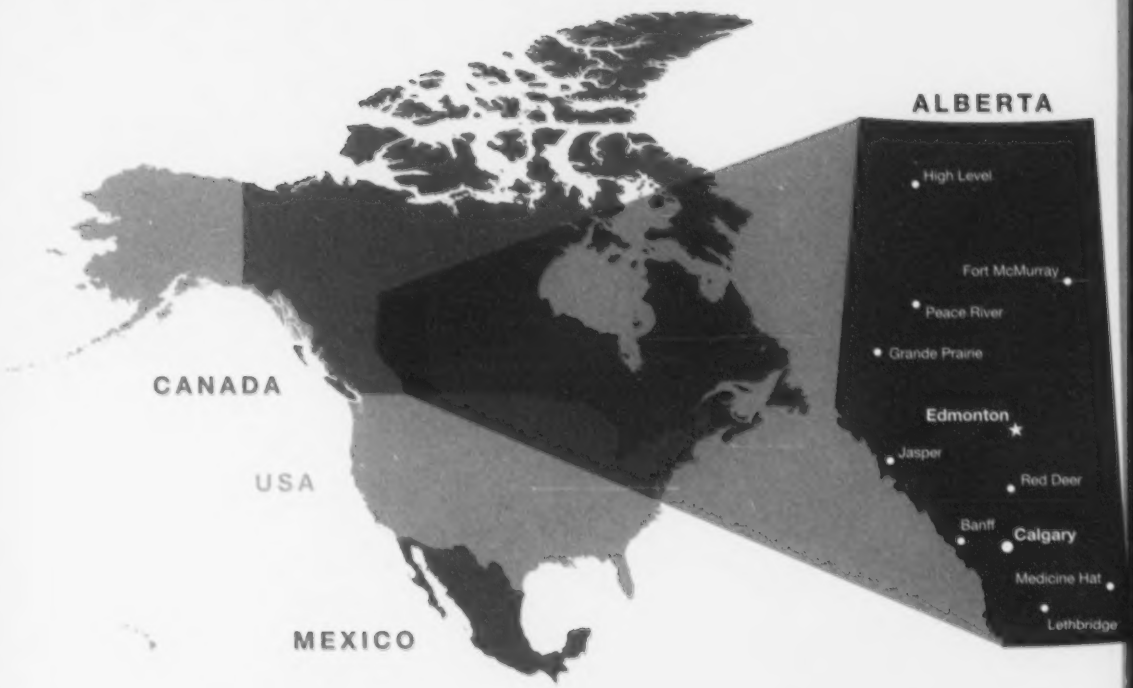
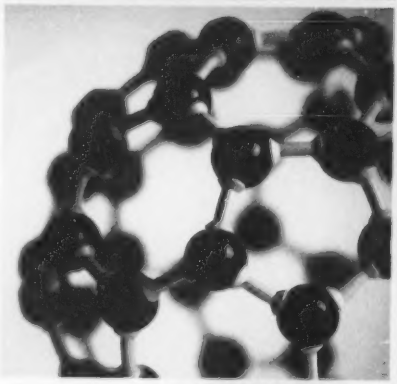
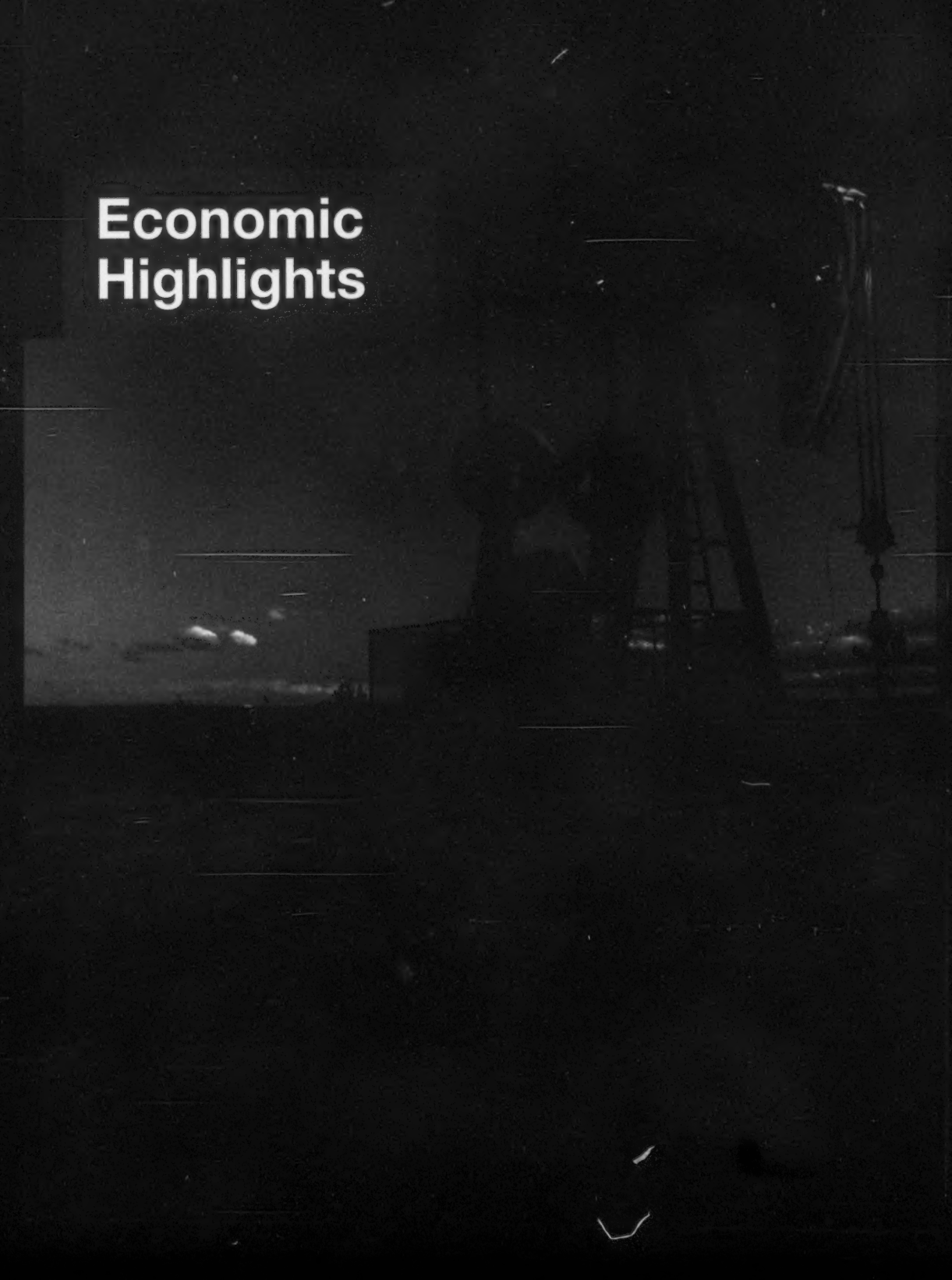
Alberta: The Best Place to Live, Work and Do Business



- Alberta is Canada's second most western province. The province's borders touch the Canadian Rocky Mountains to the west, the vast prairies to the east, the United States to the south and the Canadian Arctic to the north.
- On average, the province's 3.7 million people are the youngest of all Canadian provinces, with a median age of 35.8 years.
- One of every six Albertans was born outside of Canada.
- 64 per cent of the Alberta's labour force aged 25 years and older is holding a post-secondary degree, diploma or certificate.
- During the past 20 years, Alberta's economy has led the nation in average annual economic growth, and is poised to lead again in economic growth by 2012.
- The energy sector is Alberta's driving economic force and is supported by other key industry sectors:
  - petrochemicals,
  - agriculture and agri-food,
  - forest products,
  - industrial machinery and metal fabrication,
  - tourism, and
  - information and communications technology.
- Alberta's international airports in Edmonton and Calgary provide excellent air service to both domestic and international destinations.
- To promote its presence in key markets, Alberta operates ten international trade and investment offices, including six in Alberta's second-largest market, Asia.



Economic Highlights



DID YOU KNOW?

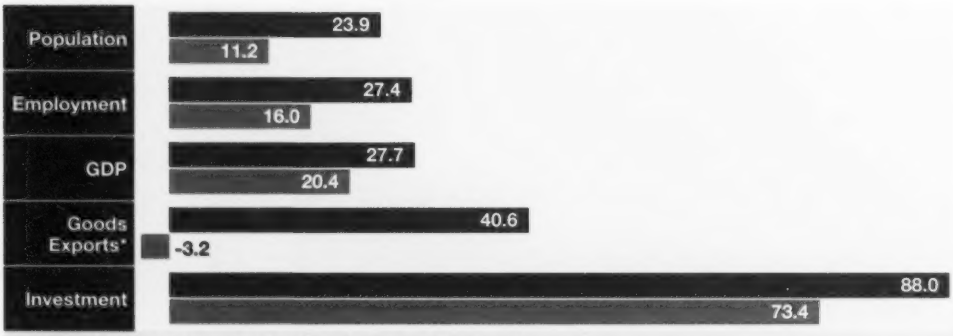
* In 2010, per capita investment in Alberta was $18,930, almost twice the national average of $9,911.
* Alberta's oil sands account for about six per cent of Canada's overall green house gas emissions and Canada is responsible for about two per cent of global emissions.
* Although Alberta's energy sector accounts for almost one-quarter of its GDP, the province's GDP shares of other sectors, such as construction, finance and real estate, business and commercial services grew significantly between 1985 and 2009.

Growth

ALBERTA'S ECONOMY RECOVERS FROM GLOBAL RECESSION

- Alberta led all provinces in average annual economic growth over the last 20 years.
- Over a span of one year, Alberta's population increased by 1.4 per cent to reach a little over 3.7 million by July 2010.
- Between 2000 and 2010, Alberta accounted for 21 per cent of Canada's population growth.
- In 2006, the official Statistics Canada Census indicated that the population of Alberta increased by 315,000 since the previous census completed in 2001.
- In 2010, the Alberta economy recovered from the global recession and expanded by an estimated 3.8 per cent. Private sector forecasts suggest that Alberta is seeing strong economic growth in 2011 and is poised to lead the country again in 2012.
- In 2010, more than two million Albertans were employed, international merchandise exports were $78 billion, and investment totaled $70 billion.

Growth In Selected Indicators: 2000 - 2010 (percentage change)

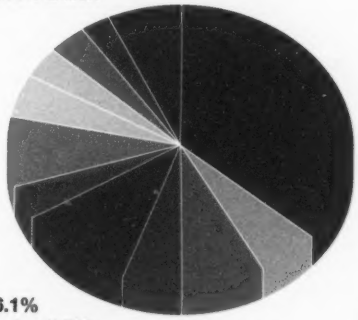


Sources: Statistics Canada and Alberta Finance and Enterprise

Economic Prosperity

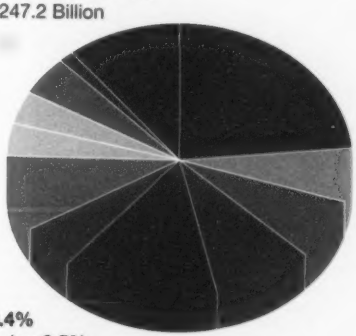
- Alberta's diverse economy provides the broad-based growth that is crucial to sustaining stable, long-term economic growth.
- Energy accounts for about one-quarter of the province's Gross Domestic Product (GDP).
- Other sectors have shown considerable growth over the past two decades. From 1985 to 2009 the following non-energy sectors grew:
  - construction sector from 6.7 per cent share of GDP in 1985 to 10.6 per cent in 2009;
  - finance and real estate sector from 11.0 per cent to 14.6 per cent; and
  - business and commercial services sector from 5.5 per cent to 9.6 per cent.

Economic Diversity: 1985
Percentage Distribution of GDP
Total GDP: $66.8 Billion



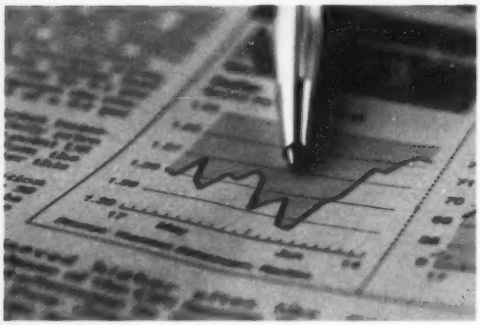
- Energy **36.1%**
- Manufacturing **6.0%**
- Transportation & Utilities **7.7%**
- Business & Commercial Services **5.5%**
- Finance & Real Estate **11.0%**
- Tourism & Consumer Services **3.8%**
- Retail & Wholesale **8.1%**
- Public Administration **4.8%**
- Education **3.6%**
- Health **3.6%**
- Agriculture **3.0%**
- Construction **6.7%**

Economic Diversity: 2009
Percentage Distribution of GDP
Total GDP: $247.2 Billion



- Energy **23.4%**
- Manufacturing **6.5%**
- Transportation & Utilities **7.2%**
- Business & Commercial Services **9.6%**
- Finance & Real Estate **14.6%**
- Tourism & Consumer Services **5.2%**
- Retail & Wholesale **9.0%**
- Public Administration **4.0%**
- Education **3.7%**
- Health **4.9%**
- Agriculture **1.4%**
- Construction **10.6%**

Sources: Statistics Canada and Alberta Finance and Enterprise



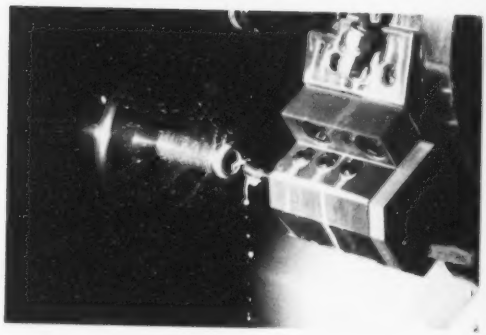
Attractive Investment Climate

- Alberta continues to lead the country in per capita investment.
- In 2010, per capita investment in Alberta was $18,930, almost twice the national average of $9,911.
- In 2010, investment rose to $70 billion due to the economic recovery and higher energy prices.
- Investment is expected to be one of the major drivers of Alberta's economic growth over the next few years, driven by investment in oil sands development, utilities, manufacturing and business services.

Per Capita Investment: 2010

Source: Statistics Canada

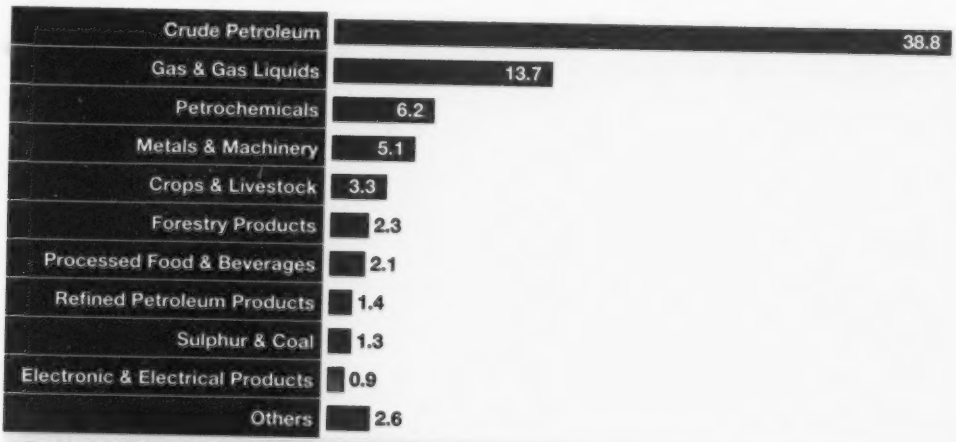
Exports



- In 2010, Alberta exported $77.8 billion worth of goods to 183 countries, an increase of 11 per cent from 2009.
- In 2010, Alberta's exports increased as a result of higher commodity prices, especially for energy products, and higher volumes of manufactured goods.
- Alberta exports an increasing amount and variety of manufactured products such as petrochemicals, fabricated metals, and machinery.
- Between 2008 and 2009, exports in manufactured products fell sharply due to the deteriorating global markets. Manufacturing exports started to recover in 2010, increasing by 12 per cent as a result of higher exports of refinery products, chemicals and forest products.

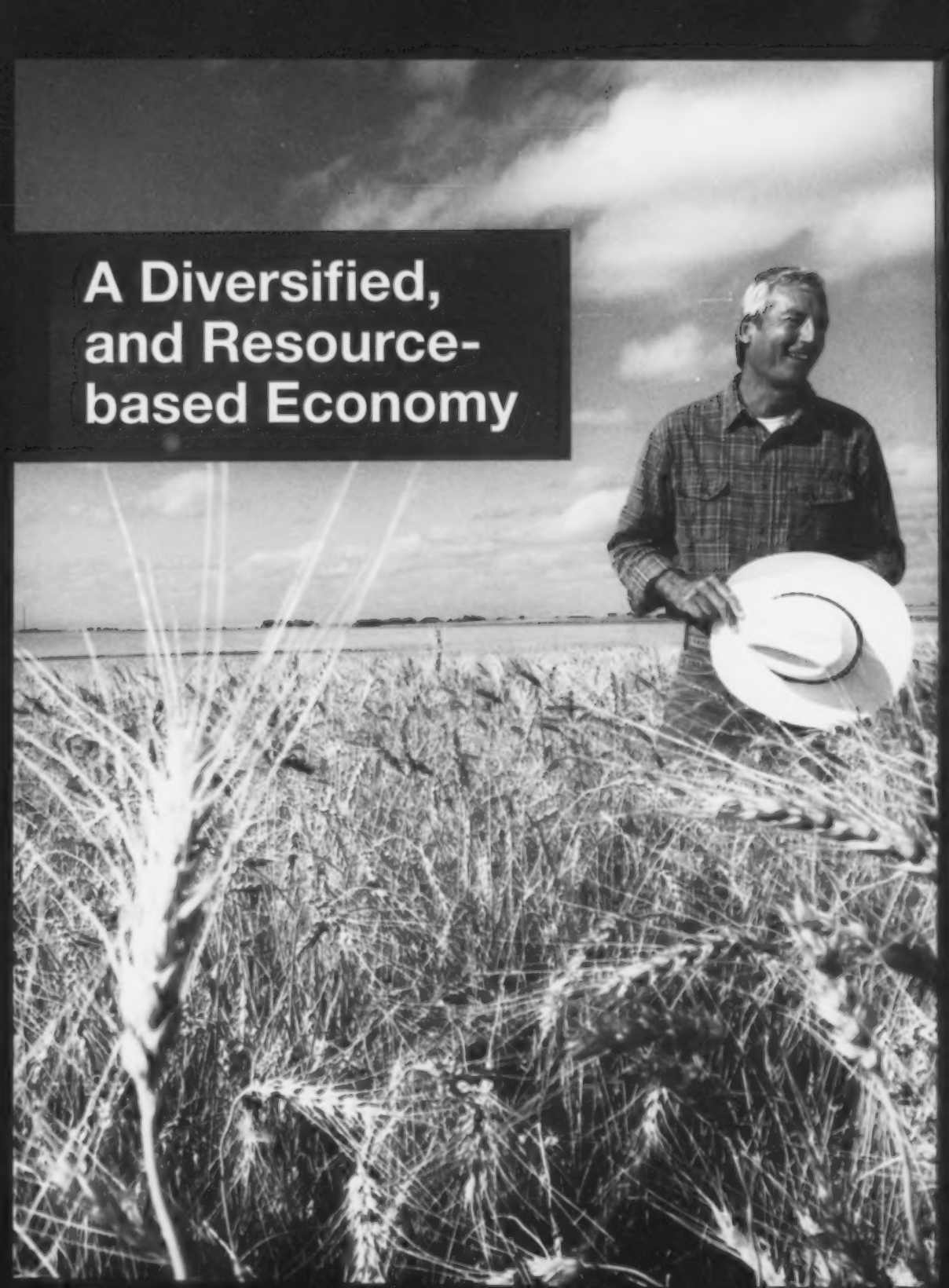
Alberta's Major Exports 2010 ($ Billions)

Total Exports of Goods: $77.8 Billion*



* Exports of services are not included in this estimate

Sources: Statistics Canada and Alberta Finance and Enterprise


A Diversified, and Resource-based Economy

DID YOU KNOW?

* Between 2000 and 2010, Alberta's manufacturing shipments increased by 35 per cent to $60.1 billion and international goods exports increased 40.6 per cent to $77.8 billion.
* Over the past 10 years, Alberta's financial services industry has experienced exceptional growth fuelled by high levels of capital investment in Alberta's energy sector.
* Alberta is the first jurisdiction in North America to legislate limits for large emitters across all sectors—including the oil sands—and the only jurisdiction in North America which requires emitters to pay if they don't meet the targets.

Energy

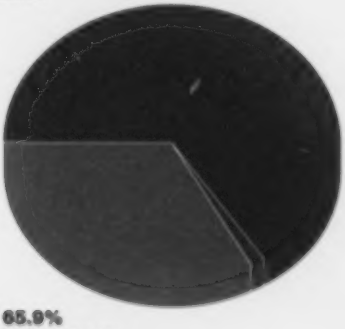
ENERGY REVENUE

- In 2010, Alberta produced about three-quarters of Canada's crude oil and 74 per cent of its natural gas.
- Alberta has the third largest petroleum reserves in the world, after Saudi Arabia and Venezuela.
- The Energy Resources Conservation Board forecasts that production of marketable oil sands will more than double to 3.3 million barrels per day by 2020, up from 1.5 million barrels per day in 2010.
- In 2010, gross revenues from all hydrocarbons were $73.2 billion, with revenues from crude oil including the oil sands, accounting for almost two-thirds of the total.

ALBERTA'S ENERGY EXPORTS

- In 2010, energy resource exports accounted for $53.9 billion of Alberta's exports, about 69 per cent of Alberta's total exports of goods that year.

Alberta's Energy Revenues 2010
Total: $73.2 Billion



- Crude Oil **65.9%**
- Coal and Sulphur **1.5%**
- Natural Gas & Gas Liquids **32.5%**

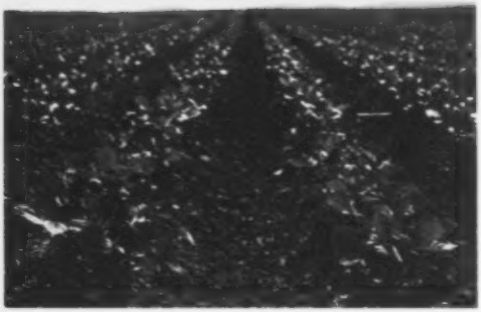
Alberta's Energy Exports 2010
Total: $53.9 Billion

- Crude Oil **72.1%**
- Coal and Sulphur **2.4%**
- Natural Gas & Gas Liquids **25.4%**

Sources: Statistics Canada, Energy Resources Conservation Board, Alberta Finance and Enterprise

Environment

- Alberta's oil sands account for about six per cent of Canada's overall green house gas (GHG) emissions and Canada is responsible for about two per cent of global emissions.
- This means Alberta's oil sands contribute approximately one-tenth of one per cent of the world's GHG emissions.
- Alberta's climate change strategy ensures environmental protection while maintaining quality of life and allowing for sustainable economic growth.
- Large emitters over 100,000 tonnes of GHG per year must meet mandatory reduction targets. Emitters unable to meet the target must pay $15-per-tonne into a clean energy technology fund (worth $257 million as of April 2011), or purchase Alberta offset carbon credits. Alberta is the only jurisdiction in North America with this requirement.
- Strict limits are placed on industry water use through a Water Management Framework for the Lower Athabasca River. This leading-edge framework puts a week-by-week cap on how much water oil sands companies can remove, and is tied to the naturally fluctuating flow of the river.
- Air quality is monitored 24 hours a day, 365 days a year across the province and air quality in the oil sands region is rated good – the highest quality.
- The Alberta government has committed $2 billion (CDN) to commercial scale carbon capture and storage projects. Our $2 billion fund is one of the largest commitments to this technology in the world…from a province of only 3.7 million people.

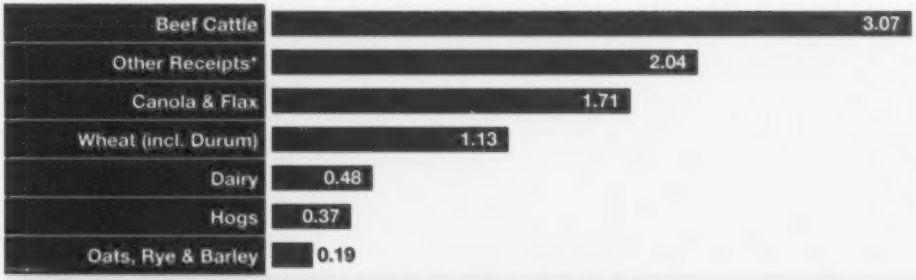


Agriculture

- Alberta has one of the world's most productive agricultural economies, with more than 51 million acres or 20 million hectares used for crop and livestock production.
- In 2010, total farm cash receipts reached just under $9.0 billion. Alberta represented 20.2 per cent of the value of Canada's total agricultural production and posted the country's highest cattle and second highest grains and oilseeds receipts.
- Alberta has a rapidly expanding value-added agricultural products sector. In 2010, manufacturing shipments of Alberta's food processing industry was $10.8 billion. Meat product manufacturing accounted for more than half of the sector's shipments.

Alberta's Major Agricultural Products 2010 ($ Billions)

Farm Cash Receipts, Total: $8.98 Billion



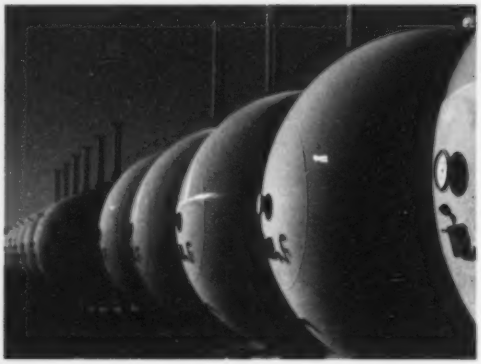
* Includes specialty cash crops, honey, poultry, eggs, program payments, etc.

Source: Statistics Canada

Forestry

- In 2010, shipments of forest products reached $4.0 billion, and exports were $2.3 billion*.
- Fifty-eight per cent or 38 million hectares of Alberta is forested. Of the forested area, about 60 per cent or 22.5 million hectares are considered suitable for harvest.
- Alberta's commercially productive timber land base of 26.1 million hectares covers 40 per cent of Alberta's total area and includes in excess of 2.2 billion cubic metres (m^3) of growing stock.
- Annually, Alberta allows 29.7 million m^3 to be harvested, of which 18.4 million m^3 is coniferous, and 11.3 million m^3 is deciduous.

* Includes wood products and pulp and paper

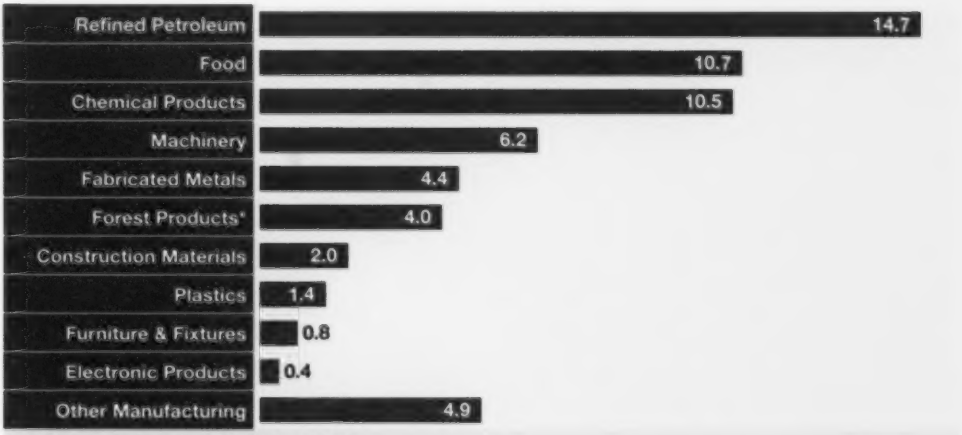


Manufacturing

- Between 2000 and 2010, the value of Alberta's manufacturing shipments increased by 35 per cent to $60.1 billion.
- From 1990 to 2010, real manufacturing output in Alberta grew by 97 per cent.
- By comparison, Canadian manufacturing output increased by 25 per cent over the same period.
- In 2010, Alberta's manufacturing output increased by 8.7 per cent. The largest manufacturing sectors were food products, chemicals, industrial machinery and fabricated metal products.
- Over one-third of manufacturing output (GDP) consists of value-added industrial products such as fabricated metals, industrial machinery and construction materials.

Value of Alberta Manufacturing Shipments 2010 ($ Billions)

Total: $60.1 Billion

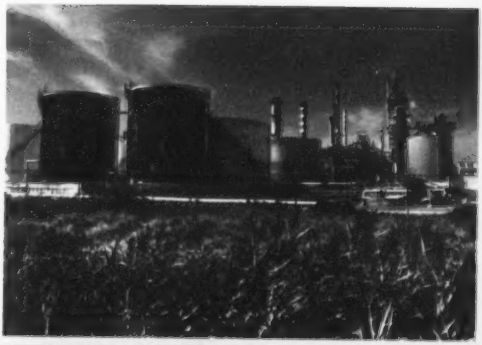


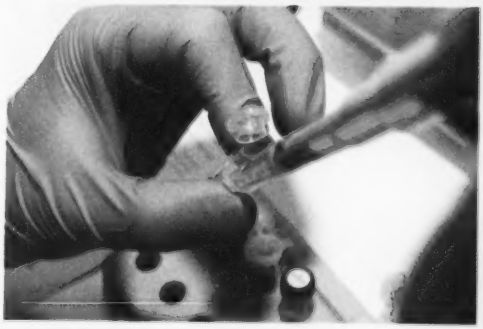
* Includes wood and pulp & paper industries

Source: Statistics Canada

Advanced Technology Industries

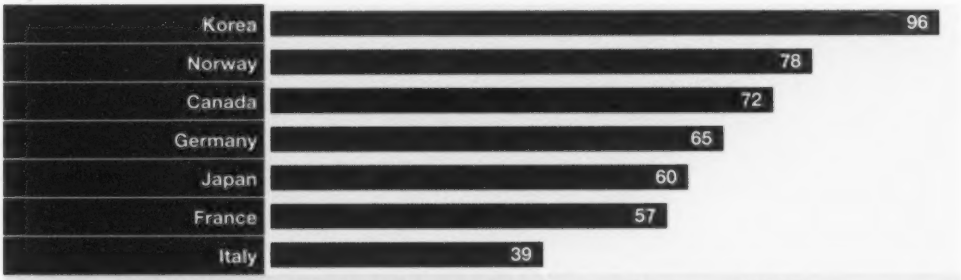
- Alberta's key advanced technology sectors include clean energy, information and communication technology (ICT), life sciences and nanotechnology.
- The Alberta government, through Alberta Innovates, is committed to working with industry to support new technology development, increase commercialization and develop new markets and opportunities.
- Alberta's ICT industry includes 4,200 companies and about 56,000 employees generating over $9 billion in annual revenues in 2010 making ICT one of Alberta's key sectors.
- Alberta is home to more than 130 bio-industry companies, employing more than 4,500 workers. The majority of companies operate in the health, biotechnology, and medical devices and equipment sectors. Revenues for this growing sector is estimated to be $800 million annually.
- The University of Alberta is home to the National Institute for Nanotechnology which is striving to be one of the top five nanotechnology centres in the world.





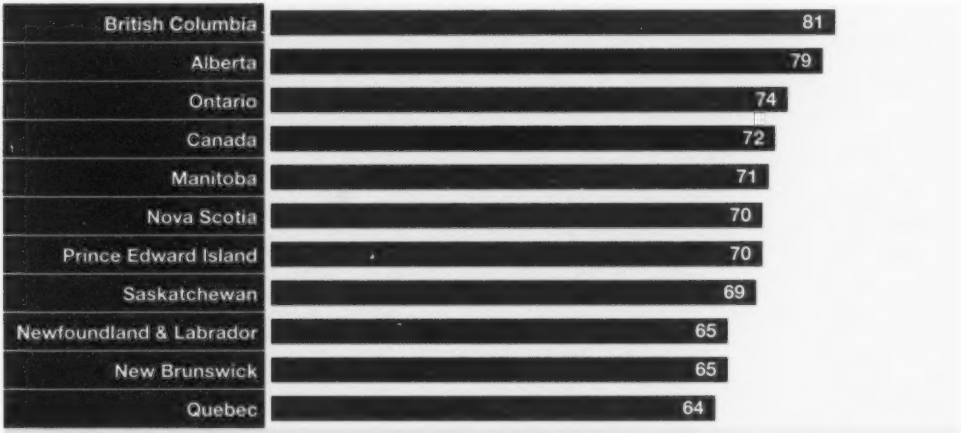
Advanced Technology (Broadband Usage)

Broadband Usage – International 2009
(Percentage of Households Accessing the Internet by Broadband)



Source: Statistics Canada and Organisation for Economic Co-operation and Development (OECD)

Broadband Usage – Canada 2009
(Percentage of Households Accessing the Internet by Broadband)



Source: Statistics Canada

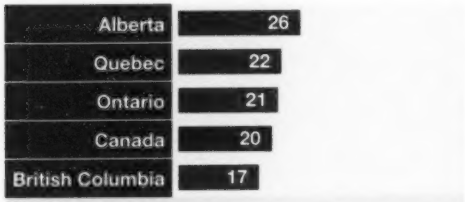
Financial Services

- Over the past 10 years, Alberta's financial services sector has experienced exceptional growth fuelled by high levels of capital investment in Alberta's energy sector. With almost $74 billion of capital investment expected in Alberta this year alone, the sector appears poised for additional growth.
- This sector includes the six major Canadian Banks and is also home to the headquarters of a number of regional financial institutions including Canadian Western Bank, Servus Credit Union, ATB Financial, and Alberta Investment Management Corporation (AIMCO) as well as branches of 75 per cent of the top 20 global investment banks.
- Alberta has developed world-class expertise in niche sectors in financial services such as asset management and energy finance.
- In 2010, the financial services sector contributed $8.4 billion dollars to Alberta's economy, accounting for roughly 4.5 per cent of the province's total GDP.
- Between 2002 and 2010, the financial services sector GDP rose by 58 per cent, outpacing all other industries in the province. By comparison, GDP in Canada's financial services sector rose by 31 per cent over the same period.

Financial Services

Financial Services Employment Growth 2002–2010

Percentage Increase in Employment



Source: Statistics Canada

Financial Services GDP Growth 2002–2010

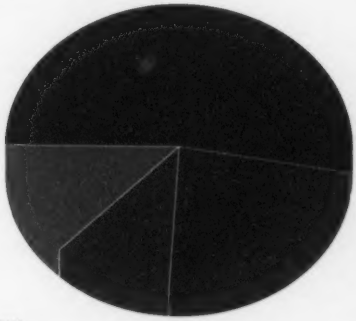
Percentage Increase in GDP

Source: Statistics Canada

Tourism

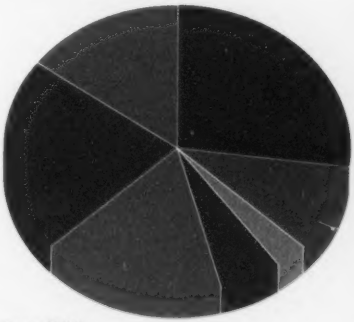
- Alberta offers visitors a wide variety of attractions ranging from natural scenic beauty, diverse landscapes, world renowned national and provincial parks, bustling shopping locales, festivals, and athletic events.
- Tourism supports approximately 90,000 jobs for Albertans, and generated an estimated $5.4 billion in revenues in 2009. Nearly 47 per cent of these revenues, about $2.5 billion, came from out-of-province visitors.
- The Calgary and Area tourism destination region was Alberta's top tourism draw in 2009, accounting for 27 per cent of all person nights spent in the province. The Edmonton and Area, Alberta Central, and Canadian Rockies and tourism destination regions followed closely behind, accounting for 22 per cent, 17 per cent, and 15 per cent, respectively, of the number of nights spent by visitors in the province.
- Rural Alberta also benefits from the province's tourism industry. Visitors find a wide range of unique experiences throughout rural areas: dinosaur digs, world-class fishing, teepee camping trips, PGA calibre golfing and much more. Another growth area for Alberta's tourism industry is sustainable tourism.

Alberta Tourism Receipts by Visitor Origin: 2009
Total: $5.4 Billion



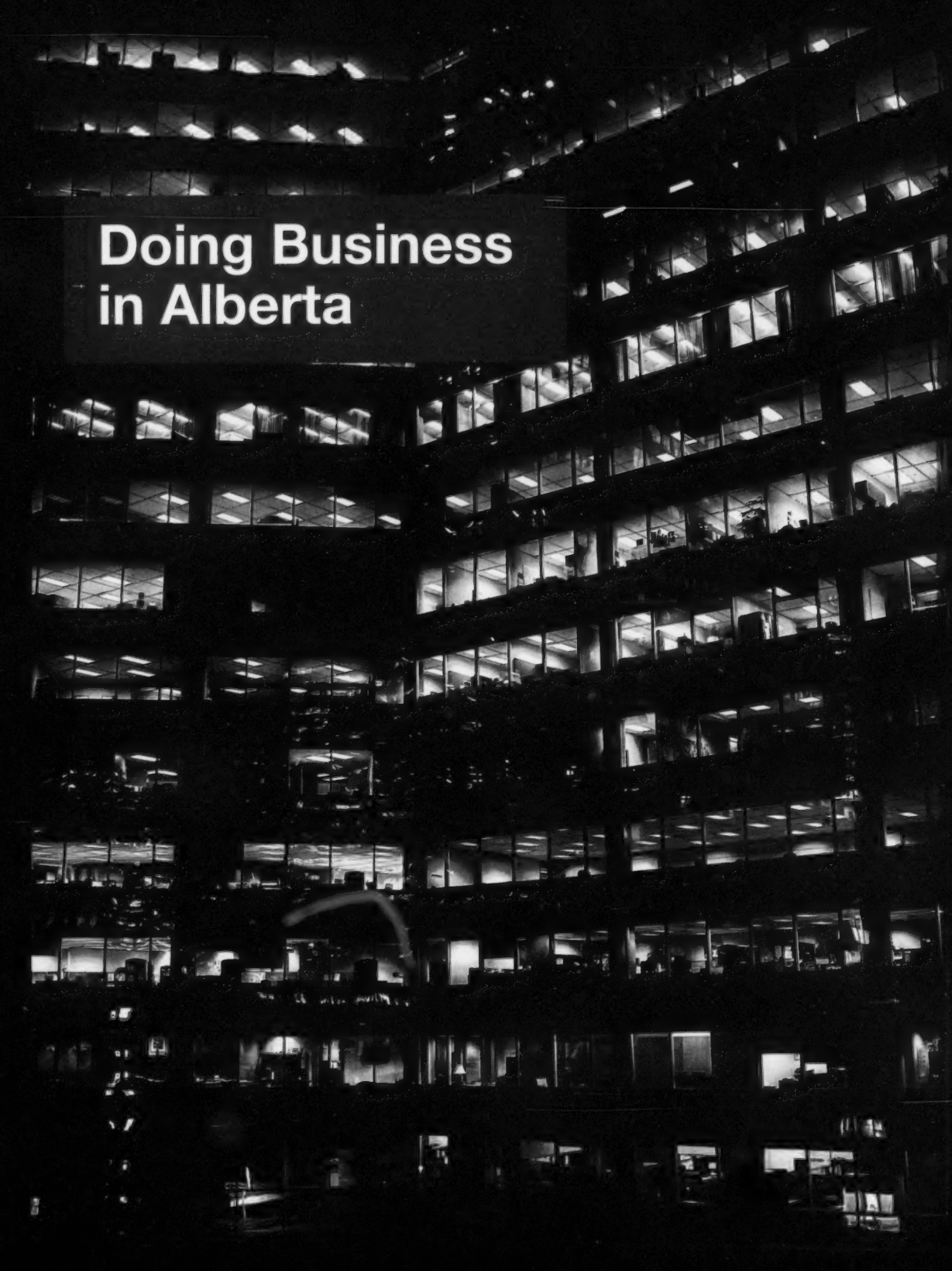
- Alberta **53%**
- Other Canada **23%**
- United States **11%**
- Overseas **13%**

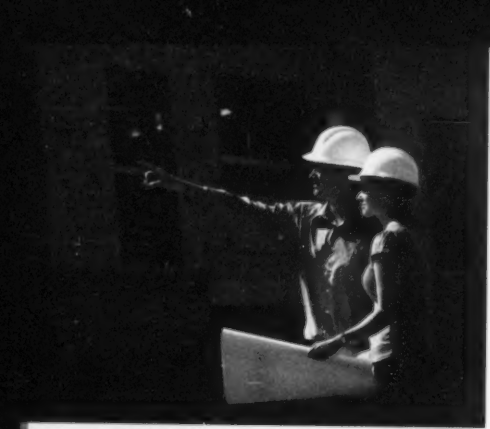
Overnight Tourism by Tourism Destination Region: 2009
Total: 40.4 Million Person Nights

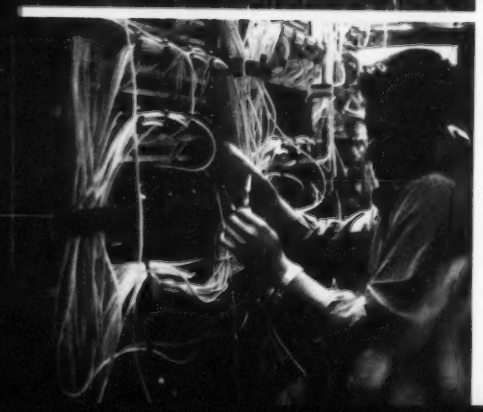


- Calgary & Area **27%**
- Alberta South **10%**
- Unspecified Region **3%**
- Alberta North **6%**
- Alberta Central **17%**
- Edmonton & Area **22%**
- Canadian Rockies **15%**

Sources: Statistics Canada and Alberta Tourism, Parks and Recreation


Doing Business
in Alberta





DID YOU KNOW?

* In 2010, Alberta had the highest GDP per capita of any state or province in North America.
* Alberta's attractive business environment has resulted in the province posting the fastest growing small business sector in Canada over the last 10 years.
* Alberta has one of the most competitive business tax environments in North America. Alberta's 2010 combined federal and provincial corporate income tax rate of 26.5 per cent is the lowest in the country.
* In 2010, 64 per cent of Alberta's labour-force – 25 years of age and older – reported holding a university degree, post-secondary diploma or certificate.

Competitiveness

- In 2010, labour productivity in Alberta's business sector was higher than in any other province. The total value added per hour worked in Alberta exceeded the Canadian average by about 23 per cent.
- However, Alberta's labour productivity growth is the lowest in the country: between 1995 and 2010 Alberta's labour productivity grew at an average annual rate of only 0.8 per cent, well below the Canadian growth rate of 1.2 per cent per year. It is also much lower than the 2.1 per cent U.S. growth rate over the same period and that of most other international competitors.
- While Alberta's long-term economic growth prospects remain strong due to energy prices, increased productivity growth will be important to optimize the economic benefits from energy investment in Alberta, and to encourage higher value added activity and industrial diversification.
- In 2010, *Alberta Competitiveness Act* was passed. The Act aims to better coordinate the efforts of government and industry to ensure the province remains one of the most competitive jurisdictions in the world.

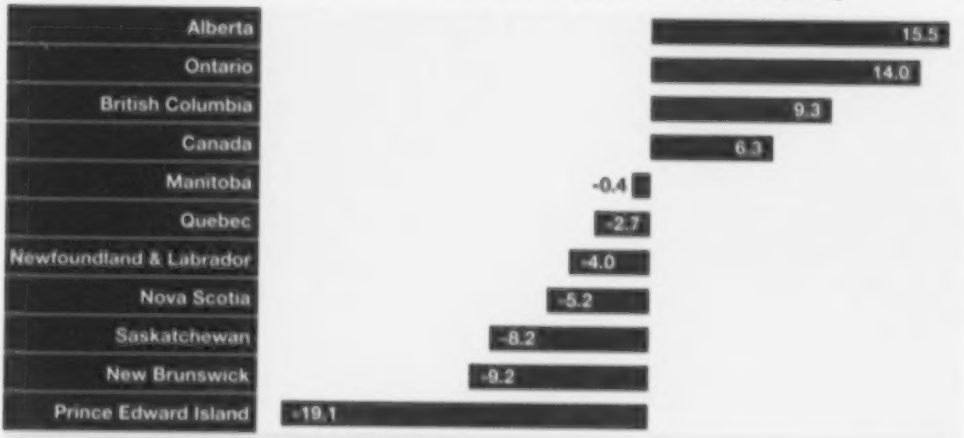
Business Sector Labour Productivity 2010
(Real GDP per Hour Worked, in 2002 constant dollars)

Sources: Statistics Canada – GDP at basic prices

Entrepreneurship

- Alberta's dynamic and innovative business climate is evident by the growth in the number of small businesses. For the last decade, Alberta has led Canada in number of new small businesses.
- From 2000 to 2010, Alberta enjoyed an increase of 19,324 or 15.5 per cent in the number of small business establishments (business establishments with less than 50 employees).
- Alberta's small business corporate income tax rate is three per cent, and between 2001 and 2009 the small business income threshold was more than doubled to $500,000.
- Since it launched in 2009, the Innovation Voucher program has awarded approximately $11.2 million in services to more than 350 start-up companies in 44 communities across the province. The program helps small technology and knowledge-driven businesses in Alberta get their ideas and products to market faster.
- The Government of Alberta has invested $100 million to attract more venture capital to Alberta to grow early-stage technology companies.

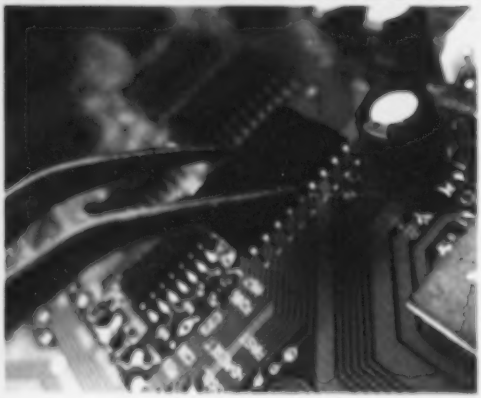
Small Business – Cornerstone of the Economy 2000-2010
[Percentage Change in Small Business Establishments (Less than 50 Employees)]



Sources: Canadian Business Patterns, Statistics Canada

Under the banner **Alberta Innovates**, the Alberta government created new organizations that focus Alberta's provincial research efforts in the areas of agriculture, forestry, energy and environment, health, and technology commercialization. They include:

- Bio Solutions
- Energy and Environment Solutions
- Health Solutions
- Technology Futures
- Alberta Research and Innovation Authority



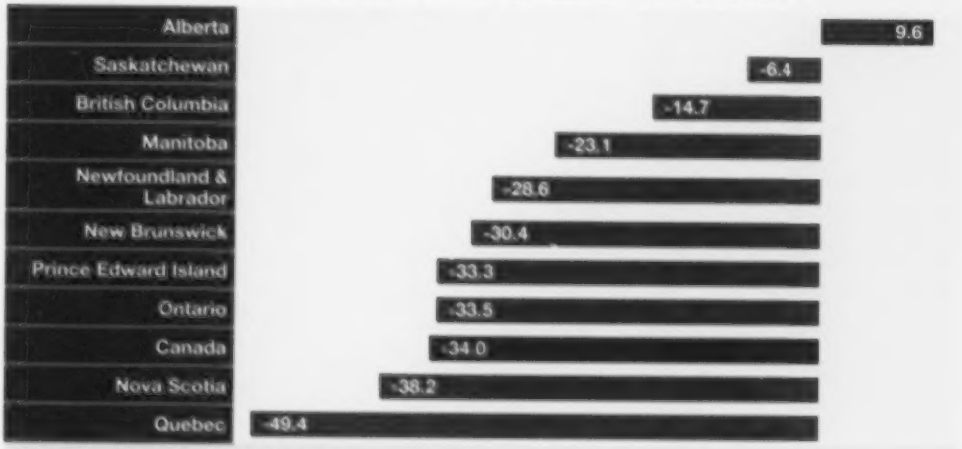
Research and Development

- Alberta Innovates allows businesses, government and academia to collaborate and gain access to world renowned experts and one-of-a-kind infrastructure and equipment to solve complex problems.
- The Alberta government's research and development expenditures are among the highest in Canada, on a per capita basis, partially thanks to annual draws on two research endowment funds currently valued at over $2 billion.
- Collectively, Alberta Innovates and Campus Alberta have attracted some of the world's largest and most successful corporations and researchers to partner with Alberta.
- Alberta is at the forefront of key research areas, such as biorefining, nano-enabled materials, gasification, carbon capture and storage, alternative energy, cardiovascular health, brain development, diabetes, biomedical technologies, infectious diseases, and bone and joint health.
- Alberta Innovates is also bridging the gap between the lab and the market with programs to support small and medium business succeed.
- Alberta's provincial research and development tax credit is worth 10 per cent of a company's eligible expenditures up to $4 million, for a maximum credit of $400,000.

Government

- The Alberta government is committed to free enterprise, sustainable economic development, a competitive tax environment and strong infrastructure.
- Alberta's strong fiscal position, minimal debt, and a savings account built from past surpluses enhanced the government's ability to respond to the recession, supporting services, programs and infrastructure plans without jeopardizing Alberta's low tax regime.
  - As of December 31, 2010, Alberta's Heritage Savings Trust Fund (long-term savings) was about $15 billion.
  - As of March 31, 2011, Alberta's Sustainability Fund (savings from past surpluses) was about $11 billion.

Provincial Net Financial Assets/Debt as a per cent of GDP: 2010-2011

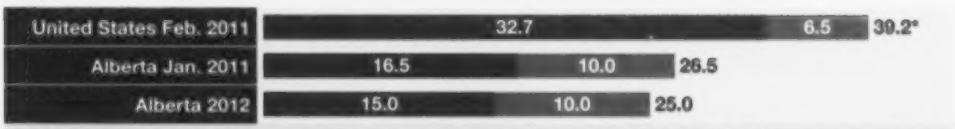


Source: Conference Board of Canada

Competitive Corporate Taxes

- With recent tax changes, Alberta has one of the most competitive business tax environments in North America.
- The combined federal/provincial corporate income tax rate in Alberta is 26.5 per cent in 2011. This is the lowest combined federal/provincial corporate income tax rate in the country.
- By comparison, the combined average federal/state corporate income tax rate in the U.S. is 39.2 per cent.
- In 2006, the Government of Alberta reduced its general corporate income tax rate to 10 per cent. The Government of Canada is also reducing the general corporate income tax rate to 15 per cent by 2012.
- The low income tax rates combined with no provincial capital taxes or taxes on financial institutions, no payroll taxes, no sales tax, and a publicly funded health-care system makes Alberta's tax environment very competitive.
- In 2009, Alberta's health care premiums were eliminated.

Comparison of Corporate Income Taxes (per cent)



* 6.5 per cent represents the average effective top general state corporate income tax rate. U.S. rates known as of February 2011.

Sources: Alberta Finance and Enterprise and Tax Foundation

Provincial and State Corporate Taxes

Provincial Corporate Income Tax Rates (per cent)			
Province	General	Manufacturing & Processing	Small Business
Alberta	10.0	10.0	3.0
British Columbia	10.0	10.0	2.5
New Brunswick	10.0	10.0	5.0
Quebec	11.9	11.9	8.0
Manitoba	12.0	12.0	0.0
Saskatchewan	12.0	10.0	2.0
Ontario	11.5	10.0	4.5
Newfoundland & Labrador	14.0	5.0	4.0
Prince Edward Island	16.0	16.0	1.0
Nova Scotia	16.0	16.0	4.5
Federal	16.5	16.5	11.0

State Corporate Income Tax Rates (per cent)			
Province	General	Manufacturing & Processing	Small Business
Oregon	7.6	7.6	6.6
California	8.84	8.84	8.84
North Dakota	6.4	6.4	6.1
Montana	6.75	6.75	6.75
Idaho	7.6	7.6	7.6
Colorado	4.63	4.63	4.63
Utah	5.0	5.0	5.0
New Mexico	7.6	7.6	4.8
Louisiana	8.0	8.0	7.1
Arizona	6.97	6.97	6.97
Federal	35.0	31.85	34.0

Note: Rates as of July 1, 2011

The small business rate is the effective tax rate for US$512,000 (comparable to the Canadian threshold of Cdn$500,000)

The small business income threshold for Nova Scotia and Manitoba is Cdn$400,000. For all other provinces the small business income threshold is Cdn$500,000

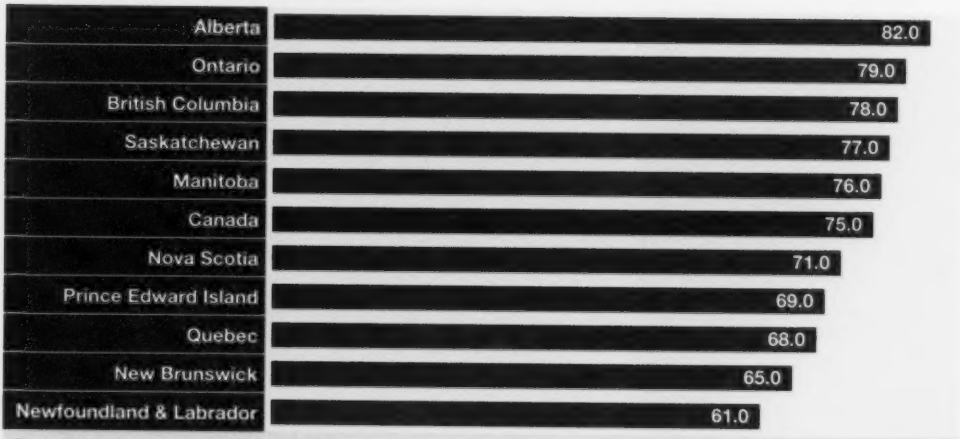
Source: Canada Revenue Agency, PWC Tax News Network, Federation of Tax Administrators

Educated Work Force

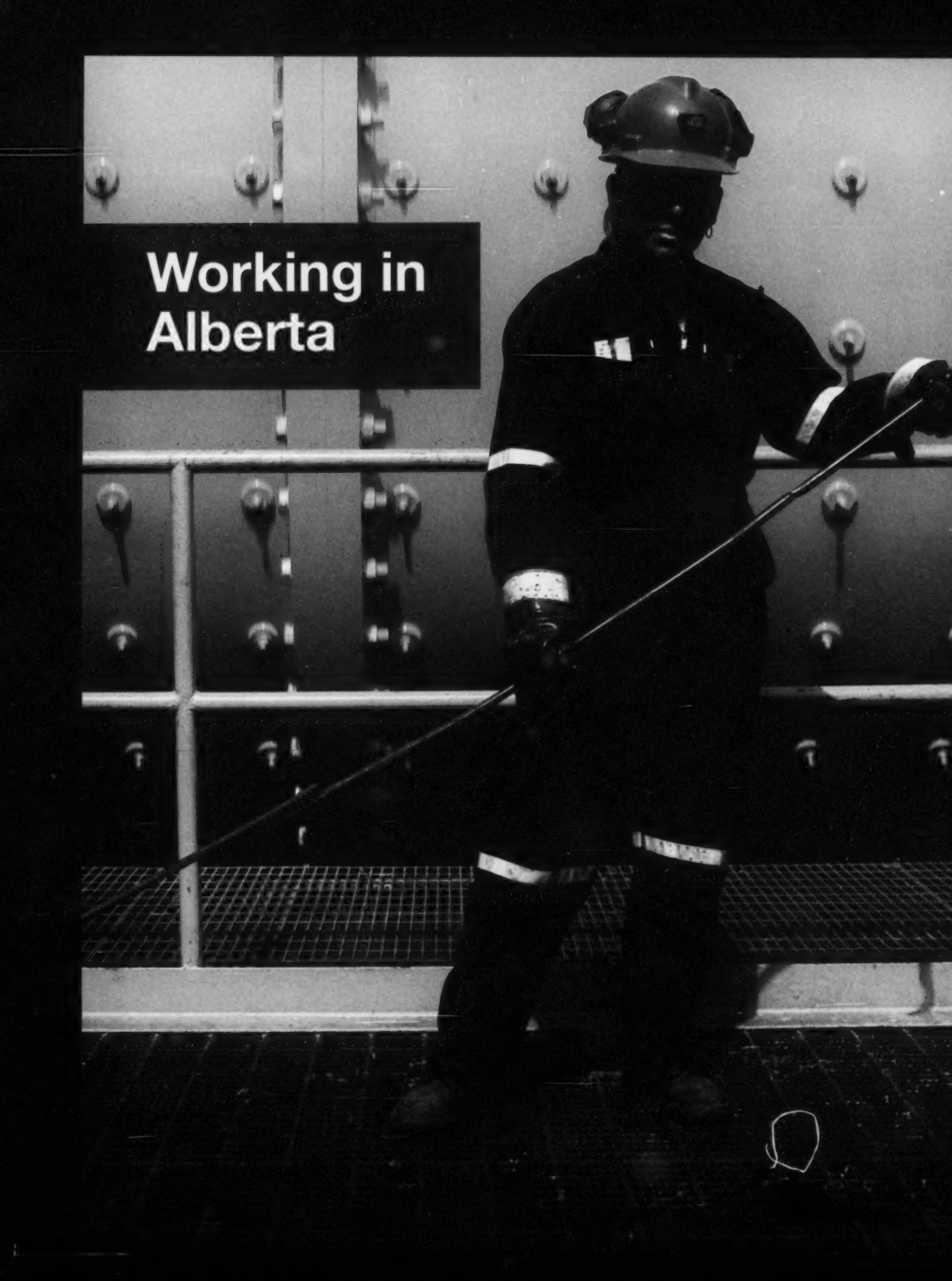
- Alberta's labour force consists of more than two million well-educated workers.
- In 2010, 64 per cent of the labour force 25 years of age and older reported holding a university degree, post-secondary diploma or certificate.
- Alberta's education system provides a learning environment conducive to economic and social success and encourages an environment that supports the pursuit of life-long learning.
- The Canadian Council on Learning's Composite Learning Index (CLI) combines data based on 17 indicators and 25 specific measures that look at the learning environment. Indicators range from access to on-the-job-training, early childhood development programs, access to resources such as libraries, and exposure to sports, media, recreation and cultural events.
- In 2010, Alberta's CLI was the highest among the Canadian provinces, with an index of 82. This represented a three percentage point advantage over second-ranked Ontario, and a seven percentage point advantage over the Canadian CLI.
- There are currently about 63,000 registered apprentices training at approximately 14,500 employer sites around Alberta.
- Alberta's apprenticeship and industry training system is second to none, training over 20 per cent of Canada's apprentices, despite having only 11 per cent of its labour force.

Educated Work Force

Composite Learning Index 2010



Source: Canadian Council on Learning


Working in
Alberta

DID YOU KNOW?

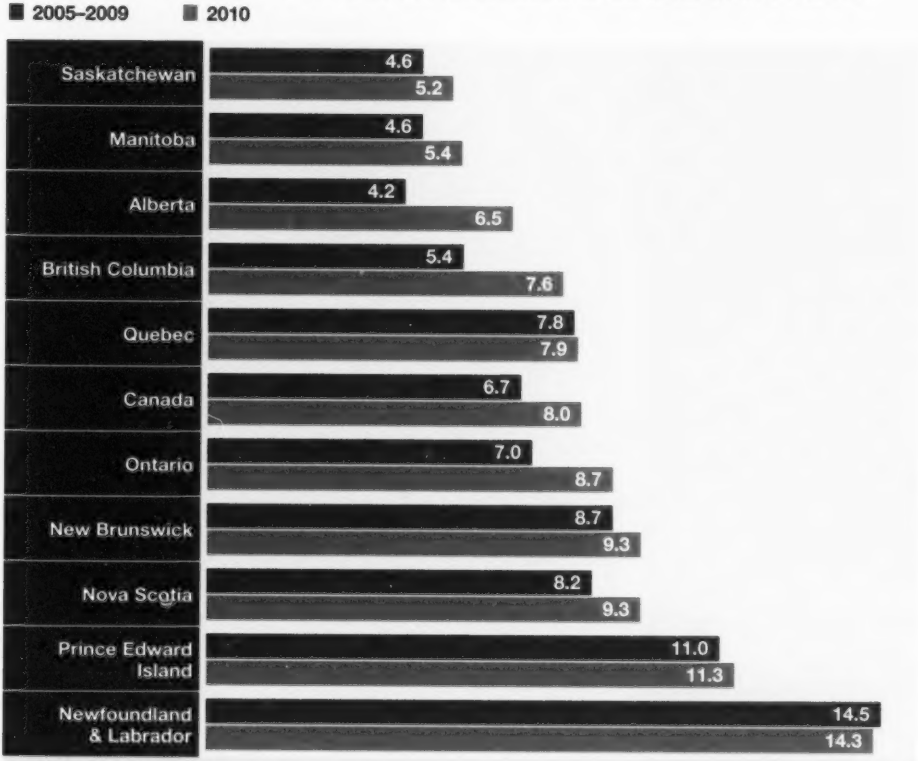
* Alberta is the only province without a provincial sales tax, and has the lowest gasoline taxes in the country.
* Since 2000, Alberta employment has grown an average of 43,400 new jobs per year – a growth rate of 2.4 per cent per annum.
* Albertans pay low personal income taxes with the lowest top marginal income tax rate and the highest basic and spousal tax credits in Canada.

Strong Labour Market

- Since 2004, Alberta's unemployment rate has been one of the three lowest of all the provinces in Canada.
- While the recent global recession resulted in increases in unemployment, Alberta's labour market has since recovered and is now near a balanced level. Employment opportunities are expected to continue to grow as stronger economic growth resumes in Alberta.
- Since 2000, Alberta employment has grown an average of 43,400 new jobs per year: a growth rate of 2.4 per cent per annum. In 2010, employment in the Alberta economy decreased by 8,600 from 2009.
- From 2005 to 2009, Alberta's unemployment rate averaged 4.2 per cent, compared to 5.4 per cent in British Columbia and 7 per cent in Ontario over the same period. Alberta's unemployment rate was 6.5 per cent in 2010.

Strong Labour Market

Unemployment Rates (per cent) **by Province: 2005–2009 (average) and 2010**

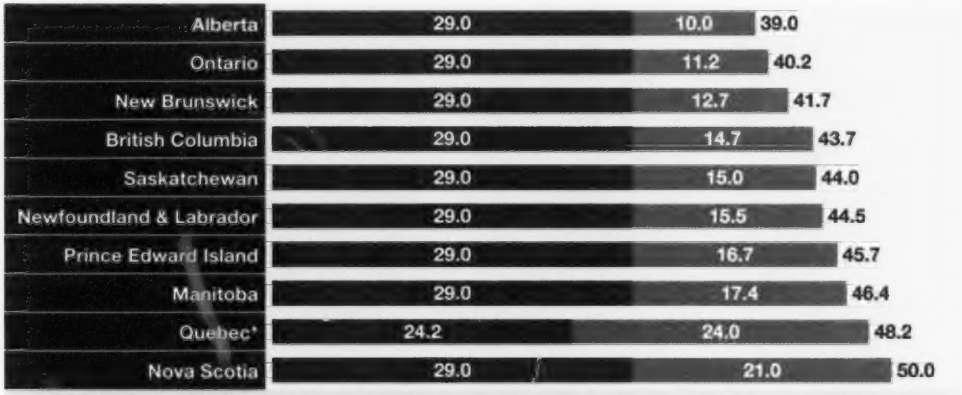


Source: Statistics Canada

Low Personal Taxes

- Alberta's personal tax advantage results from a low single rate tax system, no general sales tax, and the lowest gasoline tax among the provinces.
- Albertans pay low personal income taxes, with the lowest top marginal income tax rate and the highest basic and spousal tax credit amounts in Canada.
- As provided in the following examples, in Alberta, a two-income family of four:
  - Earning $75,000 pays about $2,600 less in total taxes than in Ontario and about $2,300 less than in British Columbia.
  - Earning $125,000 pays almost $4,000 less in total taxes than in Ontario and about $10,400 less than in Quebec.

Top Marginal Personal Income Tax Rates 2011 (per cent)

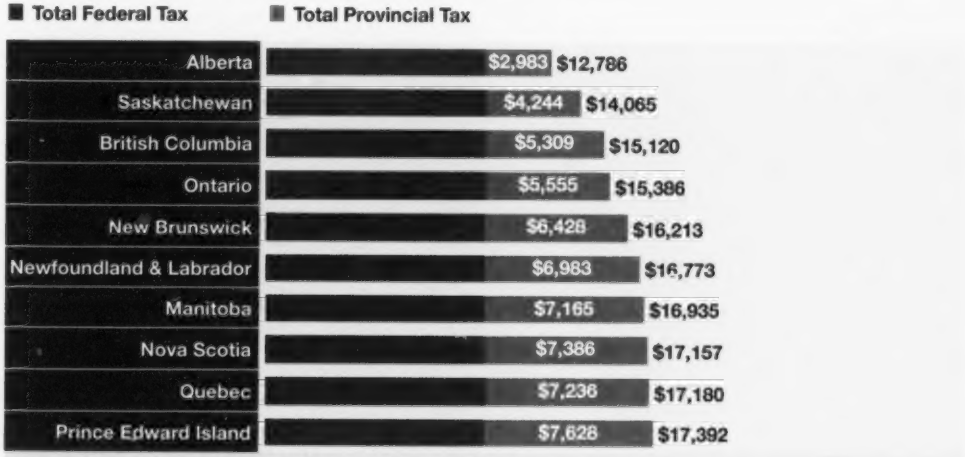

Federal Personal Income Tax
Provincial Personal Income Tax
Alberta 29.0 10.0 39.0
Ontario 29.0 11.2 40.2
New Brunswick 29.0 12.7 41.7
British Columbia 29.0 14.7 43.7
Saskatchewan 29.0 15.0 44.0
Newfoundland & Labrador 29.0 15.5 44.5
Prince Edward Island 29.0 16.7 45.7
Manitoba 29.0 17.4 46.4
Quebec* 24.2 24.0 48.2
Nova Scotia 29.0 21.0 50.0

* Quebec residents receive an abatement of 16.5 per cent of basic federal tax because of the province's decision to opt out of federal cash transfers in support of provincial programs

Source: Alberta Budget 2011

Low Personal Taxes

Comparison of Provincial and Federal Taxes by Province
(Two-income family of four earning $75,000*)



Source: Alberta Finance and Enterprise (*as of March 2011)

Comparison of Provincial and Federal Taxes by Province
(Two-income family of four earning $125,000*)

Source: Alberta Finance and Enterprise (*as of March 2011)

Note: Unlike in previous Highlights of the Alberta Economy presentation reports, tobacco taxes were not included in the personal taxes calculations since most Albertans do not smoke. Alberta's rankings will not change even if tobacco taxes were included in the comparisons.

Family Income

- In 2009, for the sixth consecutive year, families living in Alberta had the highest median after-tax income at $77,800. For that same year, the median after-tax income was 69,900 in Saskatchewan and $67,200 in British Columbia.
- After-tax family income is comprised of market income and government transfers net of income taxes.
- Another measure of income is median family market income. This is the sum of earnings from employment, investment income and private retirement income excluding government transfers.
- In 2009, Alberta families had $82,300 in market income, 30.6 per cent more than the Canadian average of $63,000, and $10,600 more than second-ranked Saskatchewan.

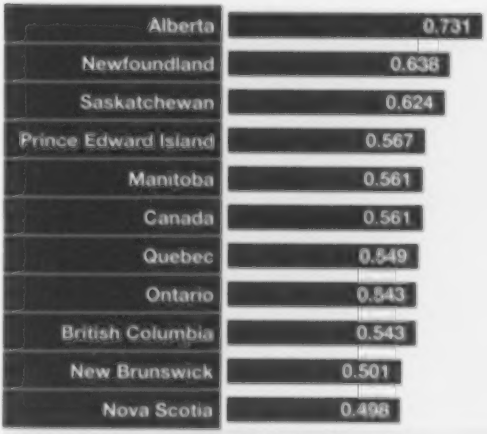
2009 Median After-tax Family Income (families with two persons or more)

Source: Statistics Canada

Standard of Living

- Alberta has been the nation's leader in economic well-being for more than 30 years.
- As a measure of economic welfare, the Ottawa-based Centre for the Study of Living Standards has developed an Index of Economic Well-Being.
- The Index of Economic Well-Being focuses on consumption rather than production and emphasizes the household perspective. It includes measures of wealth, the distribution of income and wealth, economic security, environmental sustainability and non-market activities such as household work.
- In 2010, Alberta maintained the top spot in the nation with an index value of 0.731, a 30 per cent advantage over the Canadian index value of 0.561.
- The province's strong performance in economic well-being indicators was also evident in international comparisons. In 2009, Alberta ranked third in an international comparison of economic well-being in Alberta and 14 OECD nations.

Index of Economic Well-Being
Provincial Comparison: 2010

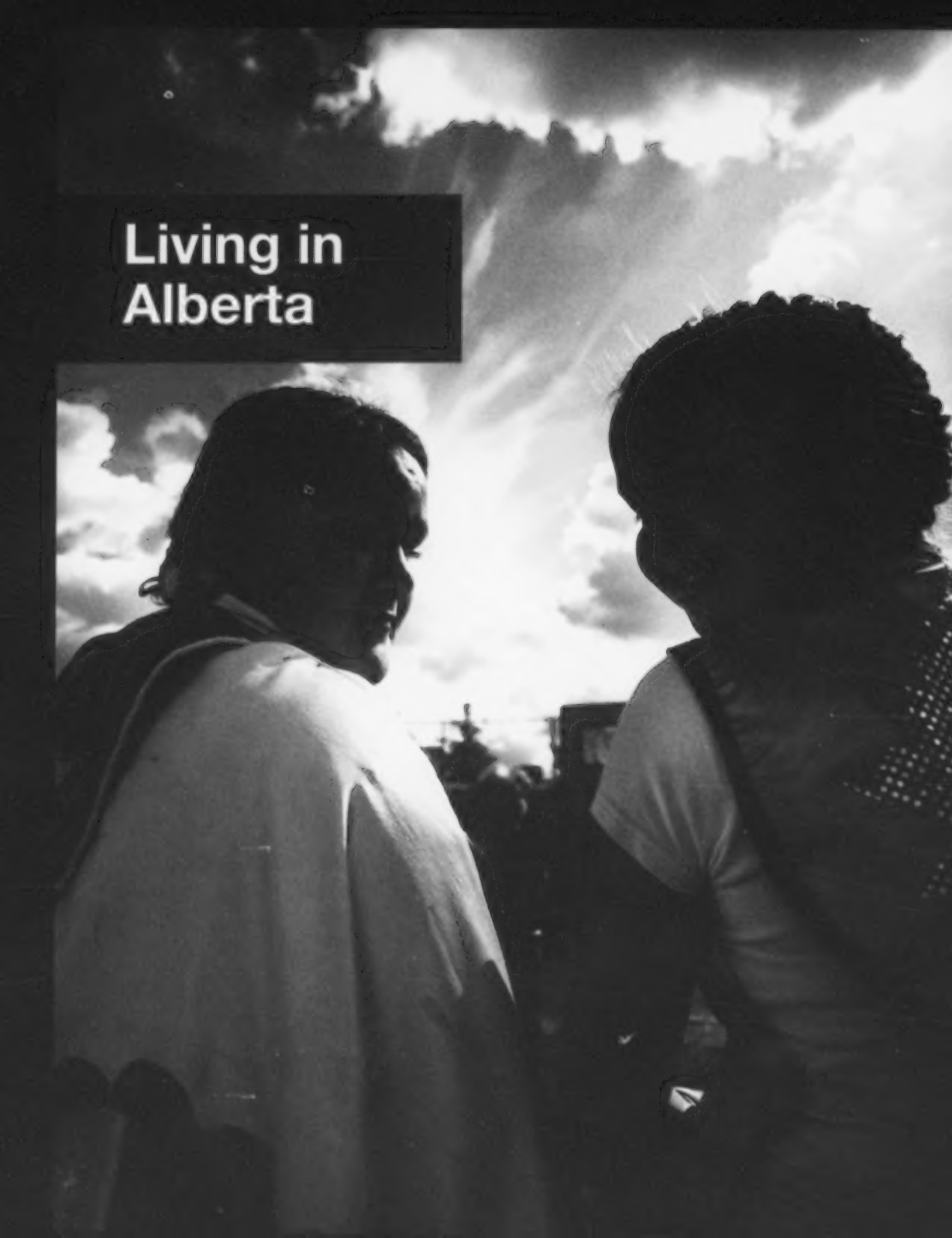


Source: Centre for the Study of Living Standards

Index of Economic Well-Being
International Comparison: 2009

Source: Centre for the Study of Living Standards

Living in Alberta



DID YOU KNOW?

* Alberta is home to an ethnically diverse population with a strong representation of Aboriginal and Métis people, and an increasing number of migrants from Asia and other regions.

* Alberta students had the fourth highest average score in science in the 2009 Program for International Student Assessment examinations which are conducted in 75 jurisdictions including 10 Canadian provinces.

* Alberta ranks first among the Canadian provinces in age/gender adjusted per capita spending on government health expenditures.

Alberta Population by Ethnic Origin, 2006

Ethnic Origin	Number	Total Pop. (per cent)
Total	3,256,355	100.0
English	885,825	27.2
German	679,705	20.9
Canadian	667,405	20.5
Scottish	661,265	20.3
Irish	539,160	16.6
French	388,210	11.9
Ukrainian	332,180	10.2
Dutch (Netherlands)	172,910	5.3
Polish	170,935	5.2
North American Indian	169,355	5.2
Norwegian	144,585	4.4
Chinese	137,600	4.2
Swedish	93,810	2.9
Russian	92,020	2.8
East Indian	88,165	2.7
Métis	83,235	2.6
Italian	82,015	2.5
Welsh	76,115	2.3
American	64,200	2.0
Danish	58,825	1.8
Filipino	54,305	1.7
British Isles	53,855	1.7
Hungarian	48,665	1.5
Austrian	36,480	1.1
Spanish	30,995	1.0
Romanian	26,870	0.8
Vietnamese	25,170	0.8
Swiss	22,185	0.7

Note: These numbers add up to more than the population due to multiple responses.

Source: Statistics Canada, 2006 Census of Population

People

- Alberta is home to an ethnically diverse population of over 3.7 million people.
- One in six Albertans was born outside of Canada, making Alberta one of the most multi-national and multi-cultural provinces in the country.
- Alberta has the youngest population of all Canadian provinces with a median age of 35.8. This compares to a median age of 39.7 in Canada.
- A vast majority of the population are of European ancestry, with a strong representation of Aboriginal and Métis people, and an increasing number of migrants from Asia and other regions. This all contributes to the province's rich cultural diversity.

Education

- Albertans are among the best educated people in North America.
- Campus Alberta's twenty-six diverse educational institutions, modern facilities, integrated technologies, and online learning combine to create innovative teaching and research opportunities for over 264,000 students, spanning every region of the province.
- Campus Alberta is instrumental in supporting learners, society and the economy. It is a comprehensive, coordinated publicly funded post-secondary system that ensures all Albertans have access to affordable and high quality learning opportunities to meet their lifelong learning goals. This system has benefited from significant ongoing public investment in recent years.
- Campus Alberta is supplemented by a multitude of community-based, religious, and vocational training opportunities. Together, Alberta's post-secondary providers are offering the quality education and training Albertans need, where and when they need it.

Comprehensive Academic & Research Institutions	University of Alberta; University of Calgary; University of Lethbridge; Athabasca University
Baccalaureate & Applied Studies Institutions	Grant MacEwan University; Mount Royal University
Polytechnic Institutions	NAIT*; SAIT* Polytechnic
Comprehensive Community Institutions	Bow Valley College; Grand Prairie Regional College; Keyano College; Lethbridge College; Medicine Hat College; NorQuest College; Northern Lakes College; Olds College; Portage College; Red Deer College; Lakeland College
Independent Academic Institutions	Ambrose University College; Canadian University College; Concordia University College of Alberta; The King's University College; St. Mary's University College
Specialized Arts & Culture Institutions	Alberta College of Art and Design; The Banff Centre

* Northern Alberta Institute of Technology and Southern Alberta Institute of Technology

Note: Full Time and Part Time Students, 2009-2010

Quality of Education

- Alberta ranks with the world's best in terms of the quality of education.
- The Program for International Student Assessment (PISA) is a tool developed by the Organization for Economic Cooperation and Development (OECD) to provide policy-oriented indicators of the skills and knowledge of 15-year-olds capabilities as they near the end of compulsory education. Since 2000, PISA reports on reading literacy, mathematical literacy and scientific literacy every three years.
- The 2009 examinations placed Alberta among the top ranks of 75 jurisdictions including 10 Canadian provinces where the tests were conducted. Alberta students have the fourth highest average score in science, the fifth highest score in reading, and the eleventh highest score in mathematics.

Top Scores in Mathematics, Science and Reading 2009 PISA* Examinations

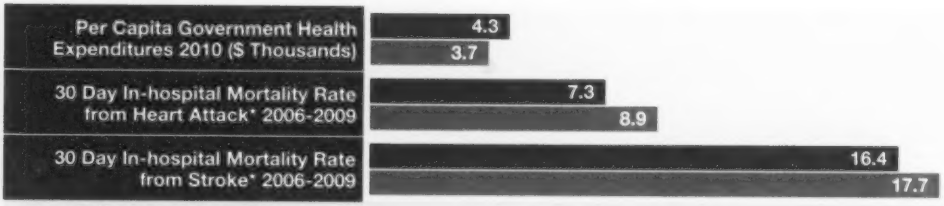
Mathematics			Science			Reading		
Rank	Jurisdiction	Score	Rank	Jurisdiction	Score	Rank	Jurisdiction	Score
1	Shanghai-China	600	1	Shanghai-China	575	1	Shanghai-China	556
2	Singapore	562	2	Finland	554	2	Korea	539
3	Hong Kong-China	555	3	Hong Kong-China	549	3	Finland	536
4	Korea	546	4	Alberta	545	4	Hong Kong-China	533
5	Chinese Taipei	543	5	Singapore	542	5	Alberta	533
6	Quebec	543	6	Japan	539	6	Ontario	531
7	Finland	541	7	Korea	538	7	Singapore	526
8	Liechtenstein	536	8	British Columbia	535	8	British Columbia	525
9	Switzerland	534	9	New Zealand	532	9	Canada	524
10	Japan	529	10	Ontario	531	10	Quebec	522
11	Alberta	529	11	Canada	529	11	New Zealand	521
12	Canada	527	12	Estonia	528	12	Japan	520
42	United States	487	31	United States	502	24	United States	500

* PISA tests 15-year-olds mathematics, science and reading skills.
Note: The rank is out of 75 jurisdictions (average = 500).
Sources: Measuring Up: Canadian Results of the OECD PISA Study, Statistics Canada

Health Care

- Compared to other Canadian provinces, Alberta ranks first in age/gender adjusted per capita spending on government health expenditures, funding more health services than required under the *Canada Health Care Act*.
- Alberta has a number of world-class facilities that specialize in cardiac care. The Stollery Children's Hospital in Edmonton is the largest pediatric heart transplant centre in Western Canada and one of the best in North America. The new Mazankowski Alberta Heart Institute which opened in Edmonton in 2008 will provide more resources for cardiac care, including cardiac surgery, research and education.
- To enhance access to radiation therapy services throughout Alberta, a "Capacity Corridor for Cancer Radiation Therapy" is being developed that is creating three new sites for radiation therapy in Lethbridge, Red Deer and Grande Prairie. The new treatment centres will improve access to radiation therapy for Albertans by providing the services at more locations closer to home.

Selected Health Indicators



* Note: Risk Adjusted Percentages

**Canada data does not include Quebec due to differences in data collection

Sources: National Health Expenditure Trends, 1975-2010, Canadian Institute of Health Information (CIHI); Health Indicators 2010 Report,(CIHI), Statistics Canada

Arts and Culture

- Alberta's cultural policy, *The Spirit of Alberta*, supports and creates opportunities for excellence in the arts, recreation and sports, and encourages the growth of the cultural industries.
- Alberta is a leader among the Canadian provinces in government investment in the arts and culture. Albertans spend more per capita than any other Canadians on culture, and Albertan companies provide the highest level of per capita support to the arts in Canada.
- Each year, over 70 festivals bring music, dance, film, literature, theatre and the visual arts to communities throughout the province. In 2010-11, the Alberta Film Development Program invested in over 50 film, television and digital media projects to develop local production expertise and talent.
- In 2010 Alberta Arts Days, an annual event held in September, featured 681 arts and cultural events in 91 communities, celebrating the importance of the arts and culture to Albertans.
- Calgary and Edmonton, Alberta's two major cities, have vigorous live music, theatre and visual arts scenes, as well as symphony, opera and ballet. Alberta's Jubilee Auditoria are Canada's second and third top theatre venues by ticket sales in 2010.
- Smaller cities and towns also offer unique cultural experiences with an array of festivals and to experience performing and visual arts.
- Residents and visitors alike enjoy performances by 10 major performing arts companies (opera, ballet, symphony and theatre companies), over 40 professional performing arts companies and 140 community performing arts organizations.
- The Alberta Foundation for the Arts collection of artwork by Alberta artists is exhibited in over 200 venues throughout the province.
- Alberta is home to 20 public art galleries, including the newly renovated Art Gallery of Alberta, in addition to numerous world class private commercial galleries.

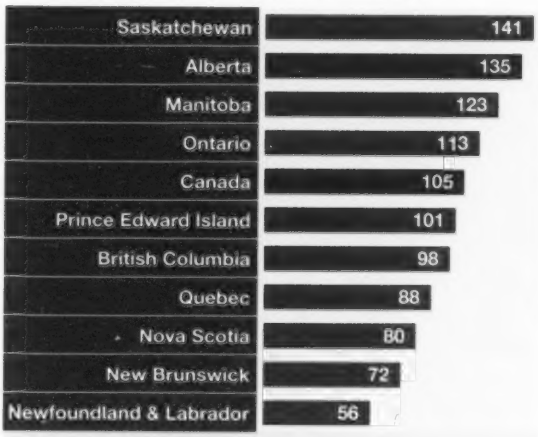
Arts and Culture

Private Sector Support of Performing Arts: 2008 (per capita dollars)

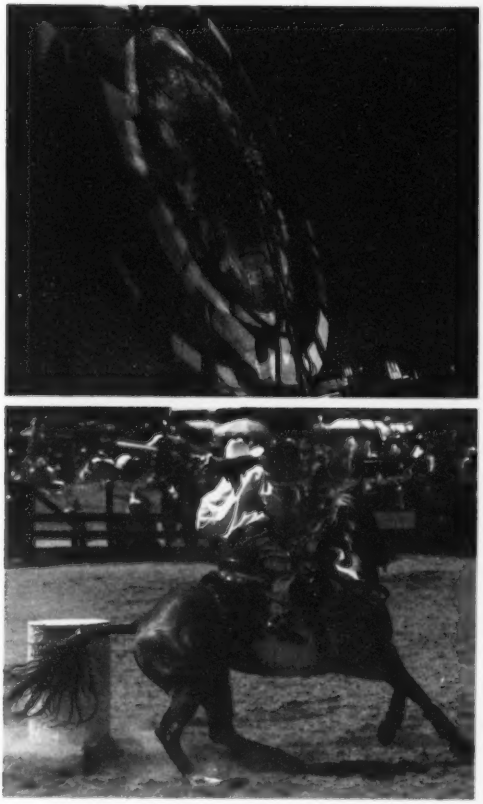
Note: Excludes statistics for Prince Edward Island, Newfoundland & Labrador and New Brunswick which were suppressed to meet the confidentiality requirements of the *Statistics Act*.

Source: Statistics Canada

Average Household Spending on Live Performing Arts: 2009 (annual dollars)



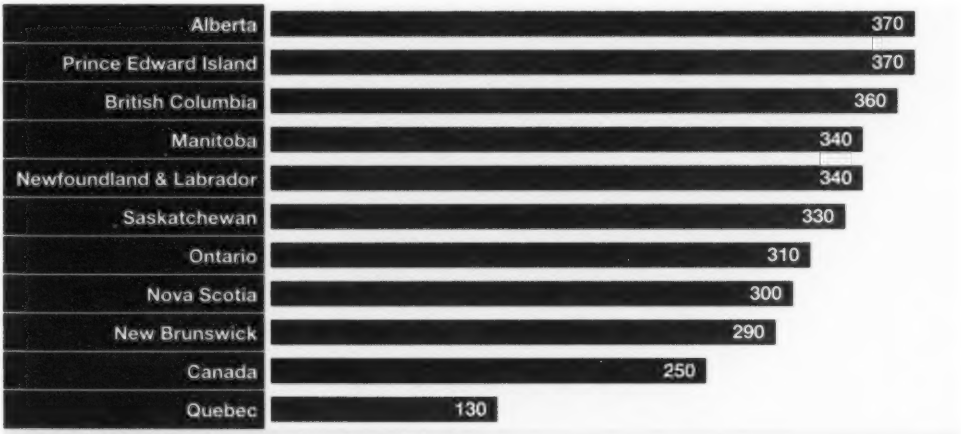
Source: Statistics Canada



Donations and Volunteerism

- Charitable donations, volunteering time to charitable and non-profit organizations, and helping people in need directly help build community.
- The Canada Survey of Giving, Volunteering and Participating (CSGVP) undertaken by Statistics Canada aims to collect information to better understand what motivates Canadians to undertake these activities and in the process optimize this positive influence in society.
- Albertans give generously of their time and money for charitable causes. The 2007 CSGVP survey stated that average annual volunteer hours in Alberta was 172 compared to 166 in Canada.
- Statistic Canada also compiles charitable donation information from income tax returns submitted to the Canada Revenue Agency (CRA).
- Statistics Canada compiled charitable donations data collected from the Canada Revenue Agency income tax returns filed in 2009. The data suggests that the median amount donated by tax filers in Alberta was $370. This was the highest median amount donated by tax filers in any province and compares to $250 for Canada.

Charitable Donor Statistics Median Annual Donation per Taxfiler: 2009 (dollars)



Source: Statistics Canada

Alberta Online Resources

Alberta Government	www.alberta.ca
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ISBN: 978-0-7785-9653-0
ISSN: 1911-2513

July 2011